

AMENDED IN SENATE AUGUST 27, 2010
AMENDED IN SENATE AUGUST 20, 2010
AMENDED IN SENATE AUGUST 17, 2010
AMENDED IN SENATE AUGUST 2, 2010
AMENDED IN SENATE JULY 15, 2010
AMENDED IN SENATE JUNE 22, 2010
AMENDED IN SENATE MAY 28, 2010
AMENDED IN SENATE APRIL 21, 2010
AMENDED IN SENATE JANUARY 25, 2010
AMENDED IN SENATE AUGUST 17, 2009
AMENDED IN ASSEMBLY APRIL 14, 2009

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

ASSEMBLY BILL

No. 289

Introduced by Assembly Member Galgiani

(Principal coauthor: Senator DeSaulnier)

(Coauthors: Assembly Members Adams, Arambula, Bass, Beall, Bill Berryhill, Tom Berryhill, Bradford, Brownley, Buchanan, Charles Calderon, Davis, Eng, Hayashi, Hill, Huffman, Jones, Lieu, Portantino, Salas, Solorio, Torres, and Torrico)

(Coauthor: Senator Florez)

February 13, 2009

An act to amend Section 185024 of the Public Utilities Code, and to add Chapter 20.1 (commencing with Section 2704.25) to Division 3 of

the Streets and Highways Code, relating to high-speed rail, ~~and declaring the urgency thereof, to take effect immediately.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 289, as amended, Galgiani. High-speed rail.

Existing law, the California High-Speed Rail Act, creates the High-Speed Rail Authority to develop and implement a high-speed rail system in the state, with specified powers and duties. Existing law, pursuant to the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, approved by the voters as Proposition 1A at the November 4, 2008, general election, provides for the issuance of \$9.95 billion in general obligation bonds for high-speed rail and related purposes. The federal Passenger Rail Investment and Improvement Act of 2008 (PRIIA) and the federal American Recovery and Reinvestment Act of 2009 (ARRA) provide funding for allocation nationally to high-speed rail projects.

This bill would require federal high-speed rail funds received on a reimbursement basis from ARRA to be deposited in the federal trust fund. The bill would require certain ARRA funds to be used for planning and engineering, and for capital costs, for the high-speed train system consistent with federal law and regulations and specified provisions of SB 965 of the 2009–10 Regular Session. The bill would identify the corridors eligible for federal PRIIA funds. The above provisions would become operative only if SB 965 is also enacted and becomes operative.

Existing law provides for appointment of an executive director by the authority, who is exempt from civil service and serves at the pleasure of the authority. Under existing law, the salary of the executive director is established by the authority and approved by the Department of Personnel Administration.

This bill, for purposes of managing and administering the ongoing work of the authority in implementing the high-speed rail project, would authorize the Governor, upon recommendation of the executive director and subject to an appropriation, to appoint up to 6 additional executive staff exempt from civil service who would serve in specified positions at the pleasure of the executive director. The bill would require the authority to cause a salary survey to be conducted to determine the compensation for the executive director and additional exempt staff, and would require the salaries to be approved by the Department of Personnel Administration. The bill would state the intent of the

Legislature to approve additional positions at the authority for purposes of creating an Office for Project Controls and Risk Management in the authority.

~~This bill would declare that it is to take effect immediately as an urgency statute.~~

Vote: $\frac{2}{3}$ -majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of the
2 following:
- 3 (a) With the enactment of the federal American Recovery and
4 Reinvestment Act (ARRA) (Public Law 111-5) on February 17,
5 2009, the federal government made available a grant program in
6 which states could apply for up to \$8 billion in federal funds for
7 the development of high-speed rail throughout the nation.
- 8 (b) On October 2, 2009, the High-Speed Rail Authority (HSRA)
9 submitted to the Federal Railroad Administration (FRA) of the
10 United States Department of Transportation an application for
11 \$4.73 billion in federal funds to further the development of
12 high-speed rail in California.
- 13 (c) On January 28, 2010, the federal government awarded the
14 HSRA \$2.25 billion to advance the development of a high-speed
15 rail system in this state.
- 16 (d) The HSRA estimates that 90,000 jobs will be created or
17 maintained by the investment of these ARRA funds, along with
18 matching state bond funds, in the dozens of construction projects
19 along the eligible corridors throughout California.
- 20 (e) It is necessary to provide the HSRA with unambiguous
21 statutory authority to receive and expend federal funds awarded
22 to the HSRA for the purposes described in its application of
23 October 2, 2009, and consistent with the award of those federal
24 funds.
- 25 (f) Moreover, it is in the state's interest to obligate and expend
26 awarded funds as expeditiously as possible and in a manner
27 consistent with the voters' expectations when they approved the
28 Safe, Reliable High-Speed Passenger Train Bond Act for the 21st
29 Century (Chapter 20 (commencing with Section 2704) of Division
30 3 of the Streets and Highways Code) in November 2008, in order

1 to expand job creation and to complete vital infrastructure
2 improvements as soon as possible.

3 SEC. 2. Section 185024 of the Public Utilities Code is amended
4 to read:

5 185024. (a) The authority shall appoint an executive director,
6 exempt from civil service, who shall serve at the pleasure of the
7 authority, to administer the affairs of the authority as directed by
8 the authority.

9 (b) It is the intent of the Legislature to approve additional
10 positions at the authority for purposes of creating an Office for
11 Project Controls and Risk Management, which shall report directly
12 to the executive director. For purposes of managing and
13 administering the ongoing work of the authority in implementing
14 the high-speed train project, upon recommendation of the executive
15 director and subject to an appropriation in the annual Budget Act,
16 the Governor may appoint up to six additional employees, exempt
17 from civil service, who shall serve at the pleasure of the executive
18 director. Pursuant to this subdivision, the Governor may appoint
19 employees only for the following positions:

20 (1) Chief program manager.

21 (2) Regional director.

22 (3) Chief financial officer.

23 (4) Director of risk management and project controls.

24 (c) The compensation of the executive director and the additional
25 employees authorized by subdivision (b) shall be established by
26 the authority, and approved by the Department of Personnel
27 Administration, in an amount that is reasonably necessary, in the
28 discretion of the authority, to attract and hold a person of superior
29 qualifications. The authority shall cause to be conducted, through
30 the use of independent outside advisers, a salary survey to
31 determine the compensation for the positions under this
32 subdivision. The Department of Personnel Administration may,
33 in its discretion, accept a previously completed salary survey that
34 meets the requirements of this subdivision, and shall review the
35 methodology used in the survey. The salary survey shall consider
36 both of the following:

37 (1) Other state, regional, and local transportation agencies that
38 are most comparable to the authority and its responsibilities.

39 (2) Other relevant labor pools.

1 The compensation set by the authority shall not exceed the
2 highest comparable compensation for a position of that type, as
3 determined by the salary survey. Based on the salary survey, these
4 positions shall be paid a salary established by the authority and
5 approved by the Department of Personnel Administration.

6 (d) The executive director may, as authorized by the authority,
7 appoint necessary staff to carry out the provisions of this part.

8 SEC. 3. Chapter 20.1 (commencing with Section 2704.25) is
9 added to Division 3 of the Streets and Highways Code, to read:

10
11 CHAPTER 20.1. HIGH-SPEED RAIL IMPLEMENTATION AND
12 OVERSIGHT
13

14 Article 1. General Provisions
15

16 2704.25. As used in this chapter, the following terms have the
17 following meanings:

18 (a) "ARRA" means the federal American Recovery and
19 Reinvestment Act of 2009 (Public Law 111-5).

20 (b) "Authority" means the High-Speed Rail Authority created
21 pursuant to Section 185020 of the Public Utilities Code, or its
22 successor.

23 (c) "Bond act" means the Safe, Reliable High-Speed Passenger
24 Train Bond Act for the 21st Century (Chapter 20 (commencing
25 with Section 2704)).

26 (d) "PRIIA" means the Passenger Rail Investment and
27 Improvement Act of 2008 (Public Law 110-432).
28

29 Article 2. Federal High-Speed Rail Funds
30

31 2704.50. Federal funds for high-speed rail purposes received
32 on a reimbursement basis from Title XII of ARRA shall be
33 deposited in the federal trust fund and shall be used in a manner
34 consistent with federal law and regulations and Section 185036.5
35 of the Public Utilities Code.

36 2704.51. The sum of two billion two hundred fifty million
37 dollars (\$2,250,000,000) in federal funds made available to the
38 state for high-speed rail purposes pursuant to Title XII of Division
39 A of ARRA shall, upon appropriation by the Legislature, be used
40 for (a) planning and engineering for the high-speed train system

1 and (b) capital costs, consistent with federal guidelines, rules, and
2 regulations, and Section 185036.5 of the Public Utilities Code.

3 2704.52. Funds received from PRIIA for 2010–11 shall, upon
4 appropriation, be available for planning and engineering for any
5 of the following corridors, without reference to any individual
6 corridor or corridors:

7 (a) Merced to Sacramento.

8 (b) Los Angeles to San Diego.

9 (c) The Altamont Corridor.

10
11 Article 3. Operation
12

13 2704.55. This chapter shall become operative only if SB 965
14 of the 2009–10 Regular Session is enacted and becomes operative.

15 ~~SEC. 4. This act is an urgency statute necessary for the~~
16 ~~immediate preservation of the public peace, health, or safety within~~
17 ~~the meaning of Article IV of the Constitution and shall go into~~
18 ~~immediate effect. The facts constituting the necessity are:~~

19 ~~In order to ensure that California may secure the maximum~~
20 ~~amount of funds available for high-speed rail development and to~~
21 ~~provide for necessary staff in that regard as quickly as possible, it~~
22 ~~is necessary that this act take effect immediately.~~

23
24
25 **CORRECTIONS:**

26 **Heading—Amended Line—Line 1.**
27